



# City of Falls Church

## First Time Homebuyer Down Payment & Closing Cost Assistance

The City of Falls Church has established a First-Time Homebuyer Program to help households with low and moderate-incomes purchase homes in the City of Falls Church. The program is funded using federal Community Development Block Grant (CDBG) funds and is administered by the City of Falls Church Housing and Human Services Division. Assistance is in the form of a deferred “second” mortgage loan to help meet the gap between purchase price and the principal first mortgage. The maximum amount of the second mortgage is \$20,000.

### Applicant Requirements



- ✦ Must not have owned a home in the past three years.
- ✦ Must purchase a home in Falls Church City
- ✦ Secure a mortgage loan from a bank/mortgage lender
- ✦ Occupy the purchased home as their principal residence.
- ✦ Contribute a minimum of \$2,000 toward the down payment and closing costs.
- ✦ Total liquid assets may not exceed \$30,000 (i.e. bonds, CDs, saving account, etc.)
- ✦ Annual Gross Income may not exceed 80% of the 2006 HUD Median Income (see below):

Number of People in Your Household	1	2	3	4	5	6
Maximum Household Income	\$50,550	\$57,792	\$65,016	\$72,240	\$78,019	\$83,798

### Loan Repayment

The down payment & closing cost assistance will be provided in the form of a deferred second mortgage. There is no loan interest and loan repayment occurs when the home is resold. The loan repayment amount will be calculated as a portion of the initial purchase price. For example, a down payment assistance loan of \$12,000 for a \$146,000 condominium will represent 8% of the purchase price. If the borrower sells the property at \$200,000, then the amount to be repaid to the City would be 8% of the **resale price** or \$16,000.

(over)



## How to Apply

1. Buyers must attend a free VHDA Homeownership Education Classes. Visit the website <http://www.vhda.com/sf/edu.asp#> or contact the Housing and Human Services Division at (703) 248-5005/TTY or Contact Karen Serfis at AHOME at (703) 527-3854 to get the current class schedule.
2. Buyer must contact a VHDA Mortgage Lender. To find a lender, go to [www.vhda.com](http://www.vhda.com) and click on “**Find a Lender**” under the Homeownership section.
3. Buyers must meet with the lender to obtain a mortgage loan pre-approval. Buyers should indicate that they are interested in the City of Falls Church First-Time Homebuyer Down Payment & Closing Cost Assistance Program funds.
4. Buyers can begin their house search using a realtor. Staff may provide the buyer with a list of the City’s ADU Realtor Partners.
5. After finding a home, the buyer should execute a sales contract and contact their lender as soon as possible. The lender will provide the client with the City’s **FTHB Down Payment & Closing Cost Assistance Program Checklist and Application**.
6. The lender or client submits the City’s FTHB Checklist and Application to the HHS.
7. Within seven (7) business days, HHS will notify the client and lender in writing of the approval for a FTHB Down Payment & Closing Cost Assistance Program reservation.

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## For Questions



### Housing & Human Services Division

Department of Community Services  
City of Falls Church  
300 Park Avenue, Suite 100W  
Falls Church, VA 22046

Phone: (703) 248-5005 (TTY 711)

Fax: (703) 248-5149

E-mail: [hhsinfo@fallschurchva.gov](mailto:hhsinfo@fallschurchva.gov)

The City of Falls Church is committed to the letter and spirit of the Americans with Disabilities Act. This document will be made available in alternate format upon request. Call 703 248-5005 (TTY 711).

